Emergency Economic Recovery Grants 2.0

COVID-19 Financial Assistance for Businesses pursuant to Act 154

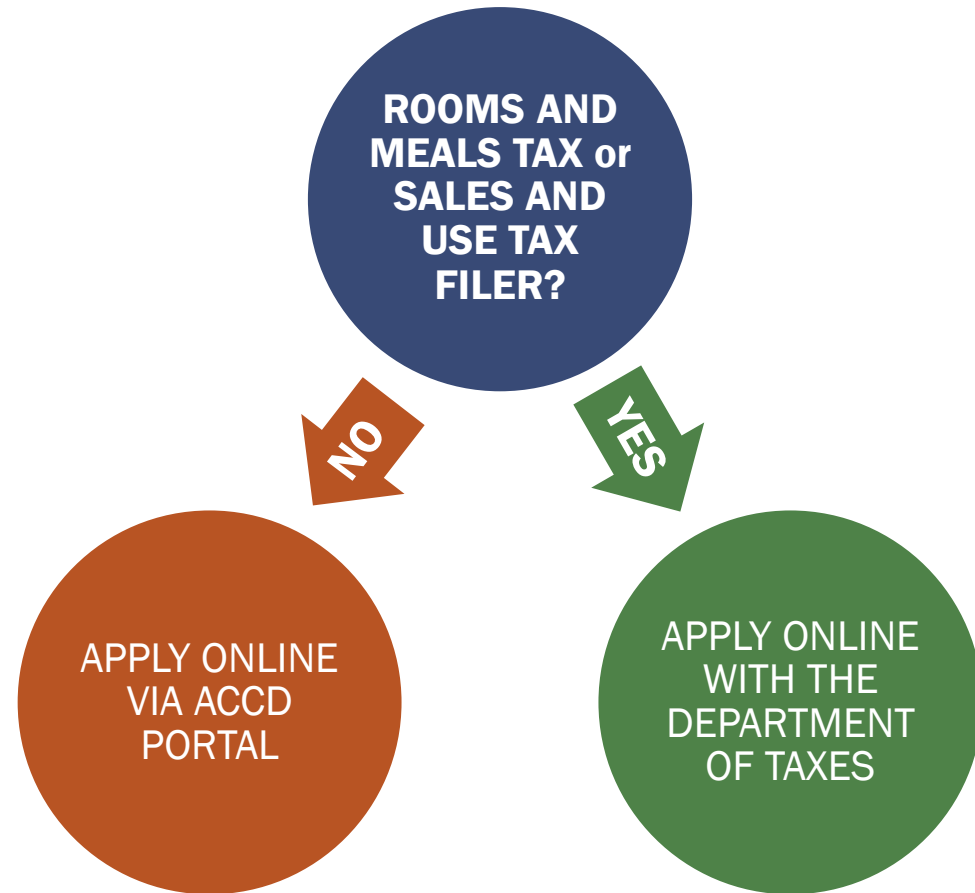VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

$76,700,000

This grant program is an expansion of the Emergency Recovery Grants program established by Act 115, Act 137, amended by Act 154 and per the Federal CARES Act.

- **$76,700,000 million** of funds from the Federal Coronavirus Relief Fund (CRF) to the Vermont Department of Taxes and the Agency of Commerce and Community Development to issue grants to eligible Vermont businesses and nonprofits **based on unmet need.**

- **Guidance Clarification Regarding Time Limit to Spend Funds**
ACCD guidance had previously stated that all businesses receiving a Vermont Emergency Economic Recovery Grant must spend the grant money by December 30, 2020. We are pleased to clarify that if a business obtained an Emergency Economic Recovery Grant for qualifying losses incurred between March 1, 2020 and December 30, 2020, the awarded grant funds are not required to be spent by the business by December 30, 2020.

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

ONE PROGRAM, TWO ENTRY POINTS

- Does your business file Rooms & Meals tax and/or Sales & Use taxes?

- **IF YES,** you will apply for a grant with the Department of Taxes via MyVTax

- **IF NO,** you will apply for a grant with the Agency of Commerce and Community Development via their online portal.

ROOMS AND MEALS TAX or SALES AND USE TAX FILER?

NO

YES

APPLY ONLINE VIA ACCD PORTAL

APPLY ONLINE WITH THE DEPARTMENT OF TAXES

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DEPARTMENT OF TAXES

AWARD FORMULA & "UN-MET NEED"

STEP 1

Revenue Reduction Determination: Applicants must show year over revenue decline from March – September of 2019 to March – September 2020. Applicants that do not show decline, will not be eligible for a grant.

*Businesses that started after March 2019 will be able to enter the relevant revenue information from when they started up until beginning of COVID (March 1). ACCD will handle all new businesses.

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

AWARD FORMULA & "UN-MET NEED"

STEP 2

"Net Revenue Impact" Calculation (*Total Revenue Impact Due to COVID*): The net revenue impact of each applicant will be determined by the difference between the organization's revenues for the period from March through September in 2019 less the revenues received in March through September period in 2020.

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

AWARD FORMULA & "UN-MET NEED"

STEP 3

"Total Benefits" Calculation (*Total sum of the financial assistance an organization has already received):* Applicants will be required to disclose the sum of financial assistance the organization has already received. This includes:

- (1) any grants and loans received through the Federal Payroll Protection Program (PPP);

- (2) grants from the Economic Injury Disaster Loan (EIDL) program;

- (3) grants from the Vermont Sole Proprietor Stabilization Program;

- (4) business interruption insurance payments;

- (5) previous awards provided by the State of Vermont through its earlier Economic Recovery Grant program; and

- (6) the amount of other State and Federal CRF awards.

VERMONT AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT DEPARTMENT OF TAXES

AWARD FORMULA & "UN-MET NEED"

STEP 4

"Un-met Need" Calculation: "Un-Met Need" will be determined by subtracting "Total Benefits" from "Net Revenue Impact".

https://tax.vermont.gov/content/vermont-economic-recovery-grant-unmet-need-calculator-xlsx

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DEPARTMENT OF TAXES

AWARD FORMULA & "UN-MET NEED"

STEP 5

Grant Award Calculation: Grant awards will be calculated by multiplying the "Un-Met Need" by a factor that distributes the $76 million appropriation across all of the applicants in both the ACCD and Department of Tax programs. The factor is calculated by taking the total amount available for granting and dividing it by the aggregated unmet need calculated for each applicant and factoring in a maximum grant ceiling amount of $300,000*

*Grant ceiling total includes any previous grants or funds received from ACCD or Tax.

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

AWARD FORMULA & "UN-MET NEED"

- **Step 1 - Revenue Reduction Determination:** Applicants must show year over revenue decline from March – September of 2019 to March – September 2020. Applicants that do not show decline, will not be eligible for a grant.

- **Step 2 - "Net Revenue Impact" Calculation** – *Total Revenue Impact Due to COVID:* The net revenue impact of each applicant will be determined by the difference between the organization's revenues for the period from March through September in 2019 less the revenues received in March through September period in 2020.

- **Step 3 – Total Benefits Calculation** – *Total sum of the financial assistance an organization has already received:* Applicants will be required to disclose the sum of financial assistance the organization has already received.

- **Step 4 - Unmet Need Calculation:** Unmet need will be determined by the subtracting financial assistance previously received by the net revenue impact calculation.

- **Step 5 – Grant Award Calculation:** Grant awards will be calculated by multiplying the "Un-Met Need" by a factor that distributes the $76 million appropriation across all of the applicants in both the ACCD and Department of Tax programs. The factor is calculated by taking the total amount available for granting and dividing it by the aggregated unmet need calculated for each applicant and factoring in a maximum grant ceiling amount of $300,000, which shall include any previous grants or funds received from ACCD or Tax.

VERMONT AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT DEPARTMENT OF TAXES

Eligible businesses must meet all of the below criteria in order to access Emergency Economic Grant Funds via the Agency of Commerce and Community Development:

- Is domiciled or has its primary place of business in Vermont

- Is open at the time of application, or is closed due to the COVID-19 public health emergency but can certify to its intention to re-open when able to

- Had annualized revenues of at least $22,000 in 2019

- Is not currently in Chapter 7 bankruptcy

- Is in good standing with the Vermont Department of Taxes*

- Is in good standing with the Vermont Secretary of State

- Has a remaining net un-met need (the "Net Un-Met Need) after completing the calculations described in the Award Formula section below

*"In good standing" for the purpose of the grant application eligibility means: all required tax returns are filed and all taxes are paid, OR if a business owes any taxes that are past due, there is a documented and current payment plan in place. Taxpayers who only owe February, March, April, or May 2020 sales and use or meals and rooms taxes will be considered in good standing for this grant. Any taxpayers who are otherwise not in good standing may be deemed ineligible for the grant.

ENTRY POINT:
Agency of Commerce and Community Development

Eligibility Criteria

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT DEPARTMENT OF TAXES**

Businesses applying for Emergency Recovery Grants via the Agency's portal are required to provide the following information:

- Federal Employer Identification Number (FEIN)

- The appropriate NAICS code for the applying company

- Monthly financial results for 2019 and 2020

- Information about any compensation an applying business has already received from insurance, PPP, EIDL grant, or any other federal or state grant program for economic damages incurred as a result of COVID-19

- Entity type (non-profit, "C" Corp., "S" Corp., etc)

- 51%, or greater, minority-owned status

- 51%, or greater, women-owned status

- New business status (began operations after March 2019)

- Number of employees

ENTRY POINT:
Agency of Commerce and Community Development

Required Application Information and Documents

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

Businesses applying for Emergency Recovery Grants via the Agency's portal are required to provide PDF copies of the following documents*:

1. A completed "Un-Met Need Calculator" worksheet send as a PDF*
   • https://tax.vermont.gov/coronavirus/grants/unmet-need

2. 2019 income statement in monthly intervals; **and**

3. 2020 income statement in monthly intervals; **and**

4. 2019 federal tax return – or most recently filed (or Form 990 for organizations
   exempt from income taxation); **and**

5. 2019 Vermont state tax return – or most recently filed.

Profit and Loss Sample Statement:

https://accd.vermont.gov/content/sample-income-statement-xlsx

Clicking the link to the "Un-Met Need Calculator" link will take applicants to a fillable Microsoft Excel sheet. This calculator is provided as a convenience to approximate your unmet need for this program and is not a verified calculation of your unmet need or your grant award. You must apply to the Vermont Department of Taxes or Vermont Agency of Commerce and Community Development for verification of data and a calculation of your grant award. If you have any questions about the fields on the calculator, please contact the Department of Taxes.

***Applications will not be considered "complete" unless **PDF copies** of **all the** required documents are submitted.*

ENTRY POINT:
Agency of Commerce and Community Development

Required Application Information and Documents

VERMONT AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF TAXES

The Agency would like to reiterate the following:

- Applications will not be considered "complete" unless **PDF copies** of **all the** required documents are submitted. **This format is required because we will not be accepting "photos" of documents.**

- Grant application portal will be open for a 2 week time period. **Therefore, it is important to enter in ALL required information CORRECTLY upon applying.**

- **Any incomplete submitted applications will be taken out of the queue and sent back. Incomplete applications are required to be corrected and resubmitted BEFORE the application window closes to be considered for a grant.**

- All applications will be reviewed for eligibility and accuracy. Please be sure to verify the required fields of information in the application are correctly depicted and correspond with the source documentation you are required to upload. Any inaccuracies will slow down the process and imperil your chances to receive a grant.

- **Agency and call-center staff do not have the ability to change ANY submitted fields on applications.** If edits are required (email address, incomplete documents, incorrect business ID information) your application will be taken out of the queue **for you to make those required edits. Edited applications will need to be corrected and resubmitted BEFORE the applications window closes to be considered for a grant.**

ENTRY POINT:
Agency of Commerce and Community Development

Important Application Information

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT DEPARTMENT OF TAXES**

Some Lessons Learned:

- *Login credentials*: If you already have a Pandemic Unemployment Assistance account with the Department of Labor – you'll need to use an alternate login credential. Most should use their email address. Those with PUA should add the number 1 before their email address. For example 1johnsmith@gmail.com

- *W-9 and Tax Returns need to match*: Be sure your W-9 info on the application matches the name on your tax return.

- *Profit and Loss Statements / Income Statements:* We need monthly profit and loss statements for 2019 and 2020. If you do not know how to prepare them, consult one of the technical assistance providers in the state or your accountant to prepare them.

- **FAQs:** Read the FAQs and the application guide before applying!

ENTRY POINT:
Agency of Commerce and Community Development

Important Application Information

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

Vermont businesses that have been negatively impacted by the COVID-19 pandemic can now seek free technical business assistance to help in their recovery. The Small Business Recovery Technical Assistance Program provides businesses with access to experts in several areas including:

- business operations, financial management, and grant writing;

- digital strategies;

- architecture and physical space design;

- reconfiguring manufacturing equipment and processes and incorporating safety measures;

- technology and software consulting; and

- legal, marketing, and other professional services.

- The Small Business Recovery Technical Assistance Program is recommended for businesses that must change in some way to remain viable due to the challenges of the pandemic.

A full list of providers and more assistance information can be found on the Agency's Website:

https://accd.vermont.gov/covid-19/small-business-recovery-technical-assistance-program

Assistance:
Technical Assistance Network

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

- Applications are exclusively being accepted through myVTax, the Department's online filing site.

- From the myVTax homepage (www.myvtax.vermont.gov) click "Apply for a Vermont Expanded Economic Recovery Grant" in the bottom right of the screen.

- Please note, there is no version of the application when logged into your myVTax account this time (previous applications were available when logged in).

- For businesses that previously received a grant from Tax, your new grant will be issued via the same payment channel as your previous grant. If this is a problem, you should email or call us before applying.

- Tax will use information from prior Meals and Rooms and Sales and Use tax filings and figures provided on the application to calculate unmet need.

If you need help, contact for the Department is:

tax.grants@vermont.gov or **(802) 828-6611**.

ENTRY POINT:
Department of Taxes
Application Process

VERMONT **AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT**
DEPARTMENT OF TAXES

Eligible businesses must meet all of the below criteria in order to access Emergency Economic Grant Funds via the Department of Taxes

The business:

- Is registered to collect and remit Vermont Meals and Rooms Tax or Sales and Use Tax with the Vermont Department of Taxes on a quarterly or monthly basis

- Does not have significant revenue that is not required to be reported on a Sales and Use or Meals and Rooms tax return. Unmet need is calculated for Tax grants based on sales reported on Sales and Use and Meals and Rooms tax returns <u>only.</u>

- Is domiciled or has its primary place of business in Vermont

- Is open for business at the time of application or is closed now due to COVID-19 but can certify to its intention to re-open when able.

- Is not currently in Chapter 7 bankruptcy

- Has annualized total sales of at least $22,000 in 2019

- Is in good standing with the SoS & Vermont Department of Taxes*

- Has a remaining "Un-Met Need" after completing the calculations described in the award formula.

- *"In good standing" for the purpose of the grant application eligibility means: all required tax returns are filed and all taxes are paid, OR if a business owes any taxes that are past due, there is a documented and current payment plan in place. Taxpayers who only owe February-September 2020 sales and use or meals and rooms taxes will be considered <u>in</u> good standing for this grant. Any taxpayers who are otherwise not in good standing may be deemed ineligible for the grant.*

ENTRY POINT:

Department of Taxes

Eligibility Criteria

VERMONT AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT DEPARTMENT OF TAXES

Questions Regarding <u>Grant Application Status:</u>
802-828-1200

8:00 am to 4:30 pm Monday through Friday

VERMONT AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF TAXES